

Minutes of a PUBLIC MEETING of
The Brick Township Municipal Utilities Authority Held on
May 23, 2011 beginning at 6:00 p.m.

1. SALUTE TO THE FLAG OF THE UNITED STATES OF AMERICA

Following the pledge of allegiance, Vice Chairman Catalano asked the group to remain standing and observe a moment of silence for Chairman Veni's dad who just passed away.

2. CHAIRMAN'S OPENING STATEMENT

Vice Chairman Catalano called the meeting to order and read the following statement: *"This meeting is being conducted pursuant to the Open Public Meetings Act, being Chapter 231 of the Laws of 1975. In accordance with the requirements of this law, a Meeting Notice was published on February 3, 2011 in the Asbury Park Press. Similar Notice was given to the Clerk of the Township of Brick and placed on the bulletin board maintained for this purpose by the Authority."*

3. ROLL CALL

Joseph Buttacavoli, DMD	Present
Allan E. Cartine	Absent
John A. Catalano	Present
Patrick L. Bottazzi	Present
John Ciocco	Absent
Edward J. McBride	Present
Joseph M. Veni, PE	Absent

Staff & Consultants Present

James F. Lacey, CPWM, Executive Director
Stephen T. Specht, PE, Director Engineering/Operations
Frank Planko, CFO
Joseph Maggio, PE, Director of Water Quality
Scott Bundy, Director of Central Services
Marie Sylvester, Executive Supervisor
Greg McGuckin, Esq., Authority General Counsel
John S. Truhan, PE, Authority Consulting Engineer
Frank B. Holman, Authority Auditor

4. Directors' Reports

a. **James F. Lacey, CPWM, Executive Director**

Director Lacey stated, "As I have submitted my report, I have been on vacation. I know that we had some situations that we need to talk about in closed session that are contractual with our ASR well. There is some personnel for closed session. We have received our information back from Trinity Church and I think you will also want to discuss that in closed session. Other than that in my absence in the last two weeks I think things have gone fairly well."

b. **Stephen T. Specht, PE, Director of Engineering/Operations**

Director Specht advised, "I just have a few items like Director Lacey alluded to about the ASR well. I would like to discuss that in closed session. Also in my report we did not receive any bids on our Mantoloking Road water storage telecommunications lease which would be the fourth lease on that tank. I would also like to discuss that with the Board in closed session to see how we would like to proceed with that contract and whether we would like to rebid it or not. I have two other items. A developer application from the Township of Brick requesting the waiver of the review, inspection and application fees which is our norm when it comes to other governmental agencies. We have a resolution that we passed back in 2003. Resolution 53-03 allows the Board to waive these fees. It does not allow the Board to waive any other fees such as connection fees. It is just the inspection review and application fees. We have received a letter from Birdsall Services group on behalf of the Township requesting that waiver. The other final item is for grout that we use on a yearly basis for our inflow infiltration issues in our sewer mains and sewer manholes which is an annual purchase and we'd like the Board to approve that so we can get that on the agenda."

c. **Frank Planko, Chief Financial Officer**

Director Planko advised, "As I mentioned last month the Audit started on May 2nd. The in-house portion is complete and the Finance Committee is coming in on June 17th and they will be presenting the audit at the June 27th meeting. Also on new business what is called the arbitrage calculation, which was discussed at the Finance Committee. Just to explain that in simple terms before Frank Holman talks about that in more detail under new business. It is the concept of taking the proceeds from tax exempt bonds and investing those proceeds and taxable investments, thereby making a profit with them. There is the potential so you might owe money to the IRS. That is it in simplest terms and Frank will be talking about that more under new business. One other item I do want to mention is that Director Pannucci asked the Finance Department to supply two additional cash drawers for Customer Accounts which we did. One was for the third running register that we have up there since we did the reformatting up at the front. The other drawer is going to be a spare tray that will be utilized for break times or emergency reasons which Director Pannucci will leave in the safe. So we did supply that to him based on his request."

Vice Chairman Catalano stated, "I would like to welcome Councilman Thulen and we would like to welcome our guest counsel Greg McGuckin."

d. Joseph Maggio, PE, Director of Water Quality

Director Maggio stated, "In Water Quality, our Water Treatment Division has been working very hard to prep the plant for the summer high demand season. We have been sending pumps out to be tested and overhauled so that they are ready to go during the summer. We have also been prepping our sand filters including installing two inches of additional anthracite which is a yearly exercise before the summer hits. In our Water Quality Laboratory Division, we have seen a seasonal increase in samples that we have been receiving from Passaic Valley so our billable should be increasing through the summer as we get more MID and geosmin samples. On the agenda for tonight we have one authorization to expend approved funds which is for the purchase of a laboratory water purification system. It is an essential component in the laboratory to have ultra-purified water to calibrate instrumentation and produce standards for testing of our instruments to make sure they are operating properly. Our current purification system is twelve years old. We have kept it running very well, but it is definitely nearing the end of its life. We also have been requested from USGS to partner on the installation of a river flow gauge on the south branch of the Metedeconk River. We currently partner with them on the flow gauge on the North Branch which we use for permit compliance in terms of how much we can withdraw from the Metedeconk. The south branch gauge is not essential for us, but we can have that discussion on the agenda in terms of if the Board wants to participate in this. We also have one other item. DEP has asked us to participate in a Barnegat Bay and Watershed Wide sampling scientific study of the Metedeconk River. This data will be used to develop a hydro-dynamic model of the Barnegat Bay and its estuaries including the Metedeconk River. They have asked us to collect some samples at two sample locations that we currently use to collect watershed samples. It may be a little bit of extra manpower. There is a late addition to the agenda which is Resolution 44-11 which would authorize us to enter into a Memorandum of agreement with the DEP to go forward with this project. It is a worthwhile project because we will gain some useful information in terms of the health and quality of the Metedeconk."

Comm. Bottazzi asked, "About the purified water for the lab. Are we going to purify our own water or are we going to buy water?"

Director Maggio replied, "This takes our water out of the tap and removes any chemical constituents to a level that you are basically getting as pure H₂O as possible. There is always something in water. We add chlorine to disinfect our water and we make sure that is the case so as it goes through the pipes we don't have bacteria. So that is something that we want to see. There is hardness in the water which is natural so what you are getting out of your tap in Brick is not pure H₂O, but that is normal."

Comm. Bottazzi asked how much water this machine produces. Director Maggio replied, "It produces very slowly because it is a reverse osmosis process. We are probably talking about on a level of a gallon every minute or two but it is used as it is needed for the samples. It is not constantly producing water."

Chairman Bottazzi added, "The reason I am asking about the purified water is because when the economy was good about ten, not even ten years ago, we had discussions selling bottled water before supermarkets and drug stores were selling it for \$3.00 a case and now there is a new thing out called health water, vitamin water."

Director Maggio advised, "This would be closer to distilled water than a drinking water. Actually it goes beyond distilled water, but that is what we would be talking about with this."

e. Scott Bundy, Director of Central Services

Director Bundy advised, "I have three items that are on the Agenda this evening and I would like to give you the opportunity to talk about them now before we vote. The first is the annual renewal of our flood insurance policies. We have six policies right now and we are renewing them for a cost of \$46,429.00. This is an increase of about \$1,080.00 over last year. There is no negotiation on those rates. The rates are set by FEMA and Selective is the New Jersey Company that provides it."

Comm. Catalano asked if Selective is the only company that we can deal with. Director Bundy replied that Selective is the only company that provides the insurance coverage so we go through our regular broker.

Director Bundy continued, "The second item is the authorization to use our consulting engineer, Mr. Truhan for some design and planning work on the security upgrades. We the security committee had a meeting. What we are doing is we've put together a plan of various items, that we have decided to do from our vulnerability assessment, cost effective biggest bang for your butt kind of projects. We needed engineering help on those to get them designed. Voting on this tonight you will be voting for Phase I which is preliminary design and getting us through the state review period. It is \$5,750.00."

Vice Chairman Catalano asked Director Bundy how many phases there are.

Director Bundy advised, "When we see what permits are going to be required because we are concerned about the CAFRA, and some others then we can go from there and decide. We broke all the projects down into three phases. The total engineering costs is about \$50,000 if we were to do all of the projects. The third item I have is a request to utilize the Reservoir by the Yoga Attic for a summer solstice free yoga class. You may recall that we had a request from them for the last solstice and there were some questions made and some comments that she is offering a free class and that some of her clients had to pay. We did clarify that with her ahead of time, and I can only go by what she tells me. She does have a business, the Yoga Attic, and she does charge clients for Yoga Classes, but this is a free one. She doesn't charge them extra for this class. In case you have any questions on that."

Comm. McBride stated "I just have one question on the flood insurance. Is that something we want to have or something we are required to have?"

Director Bundy replied, "We are required to have flood insurance for certain facilities that are under a certain feet so it is required."

f. Frank Pannucci, Jr., Director of Customer Accounts

Director Planko advised that in Director Pannucci's absence he will be handling his items on the agenda and the one item between them as far as the cash drawer."

5. Commissioner Committee Reports

a. Construction, Buildings & Grounds Committee

Comm. Buttacavoli stated, "Most of the things we went over at the meeting were already mentioned by the various directors. The Authorization for shared services that Joe Maggio mentioned and the purchasing of grout by director Specht, and the lab purification was also discussed. The need for that is the machines that we are calibrating we have to have the purest amount of water possible. I have to use distilled water in my office for my sterilizer. You can't use tap water even though there is nothing wrong with it. It is good that we have the capability of purifying our own water. There were some applications which we will go over later or now if you would like. Most of what we did was mentioned by the various directors who spoke here today. I don't have anything new to add to it."

b. Finance Committee

Comm. Catalano stated, "The Finance Committee met and we spoke about Trinity Church and we will talk about that tonight. We spoke about the arbitrage calculations and also got the status of the audit which Frank will talk about. Mr. Holman will talk about the arbitrage later on and Trinity we will talk about in closed session. And other than that the finances all seem to be in line."

c. Rate Committee

Comm. Catalano stated, "The Rate Committee didn't have a meeting."

d. Reservoir Committee

Director Bundy advised that the Reservoir Committee did not have a meeting.

e. Watershed Committee

Director Maggio stated, "We have been communicating with the commissioners, but we did not have a formal meeting. In addition to what I discussed before we did participate in the Brick Township Green Fair which was held on April 30th. Rob Karl, our Source Water Supervisor gave a presentation called Water Resources and Sustainability. I think when all was said and done everyone felt it was a great success. Our Watershed Protection and Preservation Plan, we did have a stakeholders meeting to present the scientific findings to various entities within the watershed that have a stake in the quality and health of the River. That was held on April 27th. Our Watershed Department has submitted grant applications to the USEPA. I'm going to call it a long shot, but we thought we had a unique in for three quarter of a million dollar grant where we were proposing constructing a model of the Metedeconk River to model the travel and transport of the salt water in the river near our intake and predict in the future how sea level rises and other conditions may impact that. Like I said, it is a long shot but we gave it a shot. It would be a great project if we were awarded that."

Comm. Catalano stated that the water bottles were a big hit. Director Maggio confirmed that the water bottles were very popular.

f. Alternate Water Source/Energy Committee

Director Specht advised, "We did not meet this past month, however, I did just receive the final report on the feasibility study for the wind energy system up at the Reservoir which I will be distributing to that committee later this month. I intend to have a committee meeting next month in June and have T&M make a presentation to the commissioners at the June Board Meeting. That is the schedule right now."

g. Hazmat Liaison/Committee

Director Maggio advised that the Hazmat Committee did not meet.

h. Security Committee

Director Bundy advised, "We did meet and we discussed Truhan's proposal and the work that we are anticipating doing."

At this point in the meeting, 6:20 p.m. Vice Chairman Catalano advised that the group would be going into exempt session.

6. EXEMPT SESSION

(Personnel, Contracts & Potential Litigation Only)

Counselor McGuckin advised, "Whereas there is a need for executive session of The Brick Township Municipal Utilities Authority. Whereas the purpose of said meeting is to discuss contractual items, potential litigation and personnel. Whereas there is a need to conduct such a meeting at the Monday, May 23, 2011 meeting of the Authority and therefore we resolve that an executive session of the Authority be held on said date and at said time."

Comm. Buttacavoli made a motion to go into exempt session. Seconded by Comm. Bottazzi.

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

Vice Chairman Veni stated, "At this time I would like Director Planko, Director Bundy, Director Specht, Marie and Mr. Lacey and Counsel to stay."

Director Specht advised that Director Maggio should be included as well so we can talk about the Well.

On motion duly made and seconded the group returned to open session at 7:05 p.m.

7. APPROVAL OF MINUTES

Vice Chairman Catalano called for a motion to accept the minutes of the March 28, 2011 Exempt Session. Comm. Bottazzi made a motion. Seconded by Comm. Buttacavoli.

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

Vice Chairman Catalano called for a motion to accept the minutes of the April 25, 2011 Exempt Session. Comm. McBride made a motion. Seconded by Comm. Buttacavoli.

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

8. CORRESPONDENCE - NONE

9. APPROVAL OF BILL RESOLUTION

Comm. Bottazzi read the Bill Resolution dated May 23, 2011 in the total amount of \$3,789,498.03 broken down as follows:

Total Operating Vouchers:	\$2,458,341.26
Total Payroll:	\$1,064,181.65
Total Capital Vouchers:	275,975.12
Escrow:	0

Comm. Bottazzi made a motion to approve the Bill Resolution. Seconded by Comm. McBride.

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

10. TREASURER'S REPORT

Comm Buttacavoli read the Treasurer's Report balances for the month ending April 30, 2011 as follows:

Unrestricted Funds:

Total Revenue Funds:	\$12,655,058.31
Total General Funds:	\$ 252,524.57
Total Unrestricted Funds:	\$12,907,582.88

Restricted Funds:

Series 2002 Construction Fund	325,000.81
Rate Projection Maintenance Fund:	3,591,000.00
Future Capital Requirements Fund:	2,335,157.69
Working Capital Fund:	1,621,464.21
NJEIT Processing Fund:	2,344,817.82
Total Bond Funds:	11,737,641.59
Total Other Restricted Funds:	1,810,619.65
Total Restricted Funds	23,765,701.77
Total of All Fund Accounts:	36,673,284.65

Comm. Buttacavoli made a motion to accept the Treasurer's Report. Seconded by Comm. Bottazzi

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

11. DEVELOPER APPLICATIONS

11.1 Preliminary Applications - No Further Action Required - None

11.2 Other Applications

1850 Mr. Thomas Beaton, David Beaton & Sons, Inc., Amended Site Plan – Proposed “Butler” Building – Boat Maintenance for Beaton Boat Yard, Beaton Road, Preliminary & Final, 1 Commercial

Comm. Buttacavoli advised, “The first one is 1850 which is an application by Beaton & Sons, Inc. It is a preliminary and Final. This is a proposed 6,825 square foot one story bubble type steel building to be used as a boat maintenance and storage building. Plans show that there will be a small office and a rest room inside the building. There is a one diameter water service from the proposed building to be installed from the existing 8” diameter water main. The water service curb box will have the appropriate metal protection with concrete collar installed to provide protection for vehicles at the developer’s expense. There will be one quarter inch diameter individual sewer force main to provide sewer service to the new building.’

Comm. Buttacavoli made a motion to approve Developer Application No. 1850. Seconded by Comm. Bottazzi.

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

2094 Township of Brick, Site Improvement Plan for Redevelopment of Former Brick Landfill (French's Landfill), Sally Ike Road, Preliminary & Final, 1 Commercial

Comm. Buttacavoli advised, "We have an application from the Township of Brick, preliminary and final. There was a request from Birdsall to consider waivers of application, review and inspection fees at the proposed site for the Township project. They want to install 308 linear feet of 8" diameter fire hydrant installation...."

Director Specht interrupted, "Excuse me some modifications have been made since we had the construction committee meeting on this so if you don't mind I will take over on this. What the Township is planning on installing out there is a six-inch diameter water main with one fire hydrant at the end of the main. The main is approximately 340 feet long. There will be no service taps on this main. It is strictly for fire and if they need to use the water for use during the development of that site they will rent a hydrant meter for that work. We had some concerns at the Construction Committee because it is a former landfill about the potential contamination of the site and how it would impact the water main. We did take extra precautionary steps to insure that we are not impacting the water main by wrapping it in polyethylene casing. The fire hydrant will have a check valve on it and the gaskets are nitro gaskets which are less prone to any deterioration due to volatile organic compounds. Also the Township will own the main, Again, we had some concerns about the site itself and again it will strictly be for fire service and if they need to use it for water they will rent a hydrant meter for that. I would recommend that we move ahead with preliminary and final approval on this one."

Comm. Buttacavoli made a motion to approve Developer Application No. 2094.
Seconded by Comm. McBride.

Vice Chairman Catalano asked Director Specht, "I know when they came before the Planning Board and they were telling us about the cap, the Engineer from Birdsall was telling us about these various plumes or contamination underneath, do we know if our pipe is going to be going through those?"

Director Specht replied, "Well it won't be our pipe, but we don't know that. We don't have any soil samples out there. Again they are not going that far into the site anymore. They originally were going to extend it like 600' to the site. Now it is about 340' into the site. Again they said they would minimize any outdoor use of the water so it doesn't impact that plume that is there also."

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

Councilman Thulen stated, "I would just like to point out that the plumes you are talking about are underneath the land fill. They are not in the landfill."

Vice Chairman Catalano stated, "Well is this pipe going into the ground Steve?"

Director Specht replied, "There is four feet of cover. It is going up an access road. I don't know whether it is going to be under the cap or not. It will be on an access road. I don't believe it is going to be impacted by any of the material that is out there."

11.3 Release of Performance Bonds

1841 Mr. Thomas Beaton, David Beaton & Sons, Inc., Marina Pump-out Station for Beaton Boat Yard, Beaton Road

Director Specht advised, "This is for David Beaton's Marina Pump out station. The Beaton Boat yard off Beaton Road. They installed an 8 inch diameter water main. They have provided the proper utility easement on May 2nd and it is recommended that we waive the maintenance bonds since this main has been installed since 2004 and release this performance bond. We have done this in the past being that the main has been in service for such a long time it is recommended we waive the maintenance bond."

Comm. Buttacavoli made a motion to release this performance bond. Seconded by Comm. McBride.

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

12. UNANTICIPATED/EMERGENCY CAPITAL EXPENDITURES

13. CUSTOMER ACCOUNTS RECONCILIATIONS

In Director Pannucci's absence, Director Planko presented the customer accounts reconciliations for approval as follows:

- a. Account 1432003-1, 760 Princeton Avenue, Richard Grosso. A sewer credit is recommended due to a broken pipe in the amount of \$425.60. The average is 1,000 gallons and the quarter in question rose to 71,000 gallons. **(THIS ITEM WAS WITHDRAWN FROM THE AGENDA.)**

Director Planko stated, "Just to note, item A, after reviewing the file the credit came to under \$400 and therefore it didn't have to go before the Board that is why we removed Item A."

- b. Account 2546604, 302 Tide Pond Road, Scott Anderson. A sewer credit is recommended due to a broken pipe in the amount of \$1,414.74. The average usage is 0 and the quarter in question rose to 231,000 gallons. This is a summer home and a NJ American Water Customer; break was not caught until NJ American notified the residents.
- c. Account 242800, 194 Valhalla Drive, Mack Auto Parts Inc. A sewer credit is recommended due to a broken pipe in the amount of \$4,420.66. The average usage is 6,000 gallons and the quarter in question rose to 695,000 gallons. This is a summer home and a NJ American Water Customer; break was not caught until NJ American notified the residents.

- d. Account 4288332-3, 588 Route 70, 5 Guys Burgers and Fries. An additional charge of \$4,387.95 is recommended for their initial service charge after evaluation of actual usage compared to what they were charged for their estimated usage upon opening.

Comm. Buttacavoli asked, "About C, this says Mack Auto Parts and it's a residence?"

Director Planko stated, "I believe it's a business. I will have to check with Director Pannucci."

Director Lacey stated, "It's not our water so I don't think the water went in the sewer so it didn't cost us anything."

Comm. Buttacavoli made a motion to approve the customer accounts reconciliations. Seconded by Comm. McBride.

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano

NAYS: None

ABSTAIN: None

14. CONTRACT CLOSE-OUTS - NONE

15. AUTHORIZATION TO EXPEND APPROVED FUNDS

- a. Authorization to Purchase Chemical Grouting Material for the CCTV/Grout Truck from Avanti International in the Amount of \$5,391.00; Funding Source – Operating Account No. 803-8070, Repairs – Sewer Main -

Director Specht advised, "I am looking to purchase the chemical grouting material for the CCTV Grout Truck from Avanti International in the amount of \$5,391.00, Funding Source is Operating Account No. 803-8070, Repairs to sewers main. In our continuing efforts to minimize the inflow and infiltration into our sanitary sewer system, we perform an annual purchase of grout which only has a shelf life of one year that we use with our equipment to seal any leaks in the sewer mains or sewer laterals or sewer manholes. Last year we spent a similar amount approximately \$5,200, so the price increase has not been that great so I would recommend that we move ahead with this purchase from Avanti International."

Comm. McBride made a motion to authorize this purchase. Seconded by Comm. Buttacavoli.

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano

NAYS: None

ABSTAIN: None

- b. Annual Renewal of Flood Insurance Policies
Annual renewal of six (6) flood insurance policies from Selective Insurance Company of America, for a total amount of \$46,429.00.

Director Bundy advised, "As discussed earlier in the meeting this is a renewal of our six flood insurance policies for the Selective Insurance Company through our broker Conner Strong in the amount of \$46,429.00."

Comm. Buttacavoli made a motion to authorize this expenditure, Seconded by Comm. McBride.

Comm. Bottazzi asked, "This is mandatory by the Federal Government? I know they do that with homes if they are within a certain mean high tide within five feet or so."

Director Bundy replied, "These are our low lying pump stations that fall below that number."

Comm. Bottazzi asked if we ever had claims for that. Director Bundy replied that he does not know the answer to that.

Comm. Bottazzi stated, "I have to pay for flood insurance for my home because I am on a lagoon and I have to in Florida because it is a Federal law, but is this a law for us? Can we have this checked out? I mean we are paying \$46,000 and I don't see why we have it."

Director Bundy stated, "You have expensive buildings that are within a flood plain. We can check into it"

Comm. Bottazzi asked, "How close is it to water that it's going to be in jeopardy?"

Director Bundy replied, "One of them is the intake building that sits on the water. We can definitely look at it."

Director Lacey stated, "One of those big motors cost \$46,000."

Comm. Bottazzi asked, "Does that cover contents?"

Director Bundy replied, "Actually the bulk of the cost is for the contents of the building more so than the structure. All of our buildings are steel and brick so it is mostly for the contents."

Comm. Bottazzi stated, "Ok I will go along with it. The director seemed to explain it pretty well for me."

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

c. Authorization to Utilize Consulting Engineer
John S. Truhan – Security Upgrades Design Main Campus Phase I

Director Bundy advised, “Also as discussed earlier in the meeting, this is to authorize our consulting engineer, John Truhan to prepare Phase I plans which include preliminary design and getting us through the state meeting on permits.”

Comm. Bottazzi made a motion to approve this expenditure. Seconded by Comm. Buttacavoli.

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

d. Nanopure Laboratory Water Purification System, \$7,571.77, Account 710036A, VWR
International – Water Quality Report

Director Maggio stated, “As we discussed before, we are requesting authorization to purchase a Nanopure Laboratory water purification system for \$7,571.77 from Account 710036A, from the vendor VWR International. The current laboratory water purification system is 12 years old and over the last year we have seen a significant....”

Comm. Bottazzi made a motion to approve this expenditure. Seconded by Comm. Buttacavoli

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

16. AUTHORIZATION TO SEND OUT BIDS, RFQ'S & RFP'S

17. ADOPTION OF REPORTS

Vice Chairman Catalano called for a motion to adopt the reports.

Comm. Bottazzi made a motion to adopt the director's reports. Seconded by Comm. McBride.

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

18. ADOPTION OF PERSONNEL ACTIONS

Comm. McBride made a motion to adopt the Personnel Actions. Seconded by Comm. Bottazzi.

AYES: Comm. McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: Buttacavoli

19. OLD BUSINESS

19.1 Trinity Church Parking Lot Use – Exempt

20. NEW BUSINESS

20.1 Mantoloking Road Water Storage Tank Telecommunications Co-Location Lease No. 3 - Exempt

Director Specht advised, “As discussed previously we did not receive any bids for the Mantoloking Road Water Storage Tank Telecommunications Co-location lease Number 3. The minimum bid amount for the lease was \$45,000. I am recommending that we reduce that minimum bid amount to \$42,000 to match Metro PCS bid that is currently out at the tank and proceed with the second bidding of this contract.”

Comm. Bottazzi made a motion to approve this action. Seconded by Comm. Buttacavoli.

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

20.2 Developer Application No. 2094 – French’s Landfill; Sally Ike Road; Township of Of Brick – Water Main Extension: Waiver of Application, Review and Inspection Fees

Director Specht advised, “In conjunction with the developer application that was just approved by the Board, Developer Application No. 2094, the Township of Brick has requested a waiver of the application, review and inspection fees for this project. Resolution 53-03 adopted by the Board back in 2003 allows any government agency to submit a request to have these fees waived. It does not include any initial service charges or connection fees. I would recommend at this time that we waive these fees.”

Comm. Bottazzi made a motion to authorize this action. Seconded by Comm. Buttacavoli.

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

20.3 Payment Plan Authorization Account No. 12059424-1, 1743 Route 88, Partnership One Laundromat

Director Planko stated, “This particular account No. 12059424-1, 1743 Route 88, their two year usage was a little over 3.9 million gallons. Based on that usage their initial service charge should be \$80,953.20. The amount they paid was \$41,431.80, leaving a balance of \$39,521.40. Based on this significant total they approached Customer Accounts for a payment plan. As usually in this case Customer Accounts reached out to me to prepare that payment plan and we are asking the Board to approve a three year or a 36 month payment for this customer at \$1,428.79 per month.”

Comm. Bottazzi asked, "Why aren't these numbers on this?"

Director Planko stated, "I just looked through the file and I'm not sure why. I can suggest to Frank that he put them on there next time."

Comm. Bottazzi stated, "I think those number should be on and what he proposes."

Director Planko stated, "I just reviewed the file but I will mention to Director Pannucci that he include these numbers for future reference. That includes the statutory 18% interest. Whenever I do a payment plan that is what I include."

Comm. Buttacavoli made a motion to approve this action. Seconded by Comm. McBride.

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano

NAYS: None

ABSTAIN: None

20.4 USGS Request to Partner on Installation of a South Branch River Flow Gage

Director Maggio stated, "As discussed before, the USGS has approached us and asked us to partner on the installation of the south branch river flow gauge. This is not an essential piece of equipment. The existing north branch river gauge is essential to us. It will provide some information that may be used in scientific studies of the River which will have an ancillary benefit to us in that it does fund water quality protection projects, and possible legislation that would protect the Metedeconk River. The USGS has not indicated what they were requesting for us in terms of a contribution. The cost of installation is estimated to be \$25,000. The Annual Maintenance cost they estimate to be \$16,000. This is completely at the discretion of the Board how much, and if we contribute at all. All I would give to the Board for consideration is that for the South Branch River Gauge which is, the North Branch which is very important to us for permit compliance we do contribute \$2,700 per year for maintenance of that gauge. That is just guidance for the board. This is purely at your discretion if we contribute and how much we contribute."

Comm. Bottazzi stated, "We do the North Branch and we give them \$2,700 per year. And what do they want for this?"

Director Maggio replied They have not indicated what they are looking for in terms of a contribution. They have asked us if we would partner. I do know that they have approached other partners. They have told us that the estimated cost for construction of the gauge is \$25,000 and every year after that would be an additional \$16,000 for maintenance."

Comm. Bottazzi asked, "We don't get anything out of this?"

Director Maggio replied, "The south branch gauge? The north branch we do have to keep that operating for permit compliance, but again it is of use for scientific studies of the Barnegat Bay and there is a benefit to us because those do prompt water quality protection projects in the Meted conk, but outside of that we would not use this data directly or specifically for our own uses. It is at the discretion

of the Board. I just wanted to raise this to the Board. I didn't want to make that decision on my own in terms of USGS. It is purely at your discretion."

Comm McBride made the following motion, "I make a motion at this time that on Item 20.4, we do not accept that partnership." Seconded by Comm. Bottazzi.

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

20.5 Arbitrage Calculations – Auditors

Mr. Holman stated, "This is an interesting subject. I don't think I can explain it much better than Frank did already. Out of all our six or seven bond issues, there are two that I think need calculations done. Really what the IRS says is that you borrow your money at a tax free rate. You are not allowed to invest it for a higher rate than what you pay on the bonds. You are not allowed to sell bonds at say 45% and invest it at 5%. You can but the difference you have to send to the IRS. Every five years you are required to make those calculations. We haven't done it in some time with two bond issues. Since 1998 we haven't done calculations for ten years. 2002 is due for the first five year calculation. Our other bonds are with the Infrastructure Trust and they perform the calculation on those bonds. We met with the Finance Committee and scoped out what we think is necessary. We also think we need to be practical. 1998 you need ten years worth of calculations. If the first five are reviewed, and we don't owe the IRS anything, we may be able to look at the rates where we invested our proceeds. We know the last five years we didn't get above two or three percent. We can compare that to what we are paying and maybe skip the calculation on that issue because it is going to be paid off in two years. So that is the kind of work we have spent scoping out what is required. We think as a minimum you will need five years worth of calculations for 1998 and ten years for the 2002 bond issue because that is going to be outstanding for many years to come. You will need that cumulative calculation even though we are looking at less in the beginning. Who knows where you will be ten years from now. The Finance Committee kind of blinked a little when they saw the amount and asked us to provide a couple of more quotes which we will do. We have spoken with your bond counsel and they are going to send us a letter. There aren't many firms that do this and we have been doing a lot of it. The other thing I wanted to bring up is that this is a revenue maker for the IRS. They are really paying attention to this lately. There are penalties on top of this. I think it is a good idea if we do it and even if it looks like you may not owe anything I think it is good to have the calculations in your file so in case they come knocking on your day. I think at the next Finance Committee Meeting we should be prepared to show our proposal and we will have prices from a couple of other firms as well."

Vice Chairman Catalano stated, "I had also asked Frank and the idea came up from Jerry, that we don't wait five years to do these calculations. Once they can give us a price it may be beneficial financially to do it every year or every two years, because it is a cumulative type of event. So this way if they are only doing one year, it can't take them a lot of time and charge us a lot of money."

Comm. Bottazzi asked Mr. Planko if he is always looking at that anyway. Director Planko replied, "Well I look at the rate of return, but I don't do the arbitrage calculation in house. Number one it is a very specific calculation with a specific education and software program which Frank and his firm just trained in and bought the software. But on the positive side, as you know we really haven't been making

that much money on our investments, like 1% or so and I think that is going to help contribute to a negative arbitrage which is what you want to see.”

Comm. Bottazzi stated, “Well the vice chairman made a suggestion and I think that we would say this board can give you the Authority to do it. I’ll put it in a motion form that we hereby authorize you to do this yearly. Is that OK Mr. Holman?”

Mr. Holman responded, “Yes that makes sense to me. We have to get caught up on the back stuff first which the Finance Committee is going to take up for consideration and yes going forward that would be a good policy.”

Comm. Buttacavoli asked if we want to make this all as one motion now.

Comm. Bottazzi stated, “No giving them authorization to check on it yearly and we are talking about it now.”

Vice Chairman Catalano stated, “I would like to wait until they give us the quotes. Frank was going to go out and give us the quotes to do the five year plan and then we will need quotes for doing it yearly as well.”

Director Planko stated, “For the 2002 issue it would be probably about what Frank mentions here in his proposal about \$2,700 a year for the 2002. Then we have a 2006 bond out as you know that was a refunding bond, so that first arbitrage calculation will be due at that fifth anniversary. Probably next year we will look into that as well.”

Comm. Buttacavoli asked, “SO you have to do a calculation on every bond not just for the year?”

Mr. Holman replied, “Our infrastructure trust funds are done by the State, so yes each bond each year needs a calculation. There are two series that are active now and there will be a third, but I think what happens is you can eyeball this sometimes. Like this one that is going to be paid off in two years from now. Let’s do the first five years, if we have negative arbitrage let’s fly with that. If the IRS comes knocking and says we want to see the next five years, the worst case is that we may have to go through the calculations. But you shouldn’t owe them any money. We try to weigh the practicality. But those issues that have a lot of years remaining you are going to have to do the calculations, because ten years from now it’s a cumulative calculation, you are able to offset positive with the negative so you want to do them each year on your outstanding issues.”

Vice Chairman Catalano asked, “Frank, does the arbitrage calculation start from day one or do these bonds have to be a certain age?”

Director Planko replied, “Every fifth anniversary. And that includes refunding bonds as well. We have three NJEIT issues and as Frank mentioned they do not require an arbitrage calculation. They do that in house.”

Mr. Holman advised, “A school district borrows \$50,000 to build a school, and they then fight about the size of the school for like three years while the money is sitting in the bank in the early 2000’s so they owe a big check. That is the result of an IRS audit. You never heard of an IRS audit for this

stuff before. I don't expect we will have any of those problems because we haven't been able to invest and earn that kind of money."

Comm. Bottazzi stated, "I don't know if you were on the Board then but they put together a deal four or five years ago that we refinanced our bonds."

Director Planko stated, "Yes that was with Chairman Newman at the time. It wasn't a feasible move at the time when we reviewed it and we kind of pushed it aside."

Comm. Bottazzi asked, "But how much did we save when we made the deal?"

Director Planko advised, "When we finally made the deal the series 2006, we saved \$285,000 per year on debt service. It really worked out well for us to wait it out and get the proper market conditions. Just on a positive note, but it might hurt us in the arbitrage calculations, since 2002 I mention in my monthly report every month I invested those bond and I made us quite a bit of money close to \$2 on that bonding money. We made a significant amount of money but I'm still hoping that we have negative arbitrage. We'll see."

20.6 Authorization to Utilize Reservoir

- a. The Yoga Attic – Summer Solstice Free Yoga Class – We received a completed Special Use Permit and certificate of insurance from Karen Kozlowski of the Yoga Attic. She is again requesting use of the reservoir site for free yoga class on June 21st, 7:00 – 8:15 p.m., with approximately 20 participants. This will be the third year the event will be held at the site. The completed permit is attached for your reference.

Director Bundy stated, "As discussed earlier this is a June 21st request by the Yoga Attic to use the Reservoir for a yoga class."

Chairman Bottazzi made a motion to approve this item. Seconded by Comm. Buttacavoli.

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

21. RESOLUTIONS

41-11 A Resolution Adopting Amendments to the Americans with Disabilities Act Policy (ADA) for Brick Township Municipal Utilities Authority

Counselor McGuckin stated, "These are simply updates to your 2002 resolutions that were adopted. A lot of laws change over the last eight to ten years. These are updates to your personnel policies and that is what the Resolutions are each for."

Comm. McBride made a motion to adopt Resolution 41-11. Seconded by Comm. Buttacavoli.

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

42-11 A Resolution Adopting Amendments to the Family Medical Leave Act Policy (FMLA) for Brick Township Municipal Utilities Authority

Comm. Buttacavoli made a motion to adopt Resolution 42-11. Seconded by Comm. McBride.

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

43-11 A Resolution Adopting Amendments the Family Leave Insurance (FLI) for Brick Township Municipal Utilities Authority

Comm. McBride made a motion to adopt Resolution, No. 43-11. Seconded by Comm. Buttacavoli.

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

44-11 A Resolution Authorizing the Execution of a Memorandum of Agreement between The Brick Township Municipal Utilities Authority and the State of New Jersey by and For The Department of Environmental Protection

Director Maggio asked if the Board wanted to consider Resolution No. 44-11 and stated, "This was discussed before, the NJDEP has asked us to provide some support in a sample collecting study of the Barnegat Bay for the duration of this year. This will include a number of sampling events that we already visit at two sites. Our technicians will be collecting field samples and doing things such a Ph, dissolved oxygen, conductivity at the site, and temperature. Any samples we collect will be bottled, packaged and sent to DEP where they will take care of the analysis. This is not something that we are charging them for. This is us supporting them on this water quality study. They are going to be using this data to develop a hydrodynamic model of the Barnegat Bay and its upstream estuaries and waterways, including the Metedeconk River. That information could be very valuable for us in terms of modeling and studying transport of pollutants and contaminants for organics in the river."

Comm. Bottazzi asked, "What additional expense will it be for your people to do that?"

Director Maggio stated, "It would be just time. There is no out of pocket cost. We would not need to hire anyone and there would be no money changing hands. We would be collecting the bottles and then dropping them off, there is no postage expense involved."

Comm. Bottazzi made the motion to approve Resolution No. 44-11. Seconded by Comm. Buttacavoli.

AYES: Comm. Buttacavoli, McBride, Bottazzi, Catalano
NAYS: None
ABSTAIN: None

22. PUBLIC DISCUSSION

At this point in the meeting, Vice Chairman Catalano opened up the meeting for public comments.

Councilman Mike Thulen, Liaison to the Board of Commissioners stated, "I would like you to know that DEP never does a thing for you without charging you for it and you should not be doing anything for them for nothing. You should be trying to make any kind of money from them that you possibly can. You are constantly paying for licenses that they do not deserve any fees for. I truly believe after being cut back in state aid over the past few years you should not do a thing for the state unless you are willing to get compensated for it."

Comm. Bottazzi stated, "Through the chair, Councilman we are going to them all day, every day looking for reports for this and that. I think we would be cutting our nose off to spite our face."

Councilman Thulen stated, "They don't do anything for you for free. They do nothing for free."

Comm. Bottazzi stated, "Well next time this comes up we will remember it sir."

Councilman Thulen replied, "Next time you want a CAFRA fee say well gee we really don't want to pay for this and see where it gets you."

Comm. Bottazzi stated, "The director made it a point to tell us that we are not hiring anyone extra, they are not going to be working overtime. It's not going to cost us anything. He's just going to grab another bottle of water that is almost in his work plan is that correct?"

Director Maggio replied affirmatively.

Comm. Buttacavoli asked if we already get samples from that site for our own use.

Director Maggio replied, "These two sites that we regularly visit. There will be other organizations like us that are going to be asked to sample in other parts of Barnegat Bay. We are kind of lucky in that this isn't a significant amount of extra work because we visit these sites anyway. This work is consistent with our current Watershed Protection Plan that we undertake so we are benefiting from it although it is not explicit in terms of money. This does support our watershed protection efforts to protect the Metedeconk River which is our prime source of water."

Councilman Thulen added, "The Director also stated that he buys equipment so he can use it to actually make money from other MUA's throughout the state by doing testing for them. This is another opportunity for you to make money. If the director doesn't agree with me that's fine, but I don't agree with him. The new norm that the governor has put across needs to go the other way now. They need to start paying."

Mrs. Briggs wished everyone a safe and happy holiday weekend.

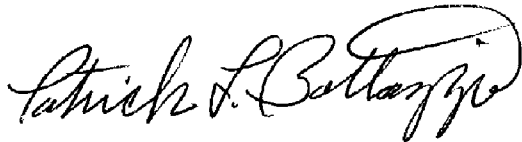
23. ADJOURNMENT

There being no further business to discuss and on motion duly made and seconded, and by unanimous vote the group adjourned at 8:10 p.m.

23. CHAIRMAN'S CLOSING STATEMENT

Vice Chairman Catalano read the following statement: *"The next meeting of the Authority will be a Public Meeting on Monday, June 27, 2011 at 6:00 p.m. All regular public meetings take place in the Main Conference Room of the Authority's Administration Building located at 1551 Highway 88 West.*

Respectfully submitted,

A handwritten signature in black ink, reading "Patrick L. Bottazzi". The signature is written in a cursive style with a large, looping initial "P".

Patrick L. Bottazzi, Secretary
Board of Commissioners